

*Subject*  
**SECURITY INFORMATION**  
**OGC Has Reviewed**

SA/DD/A

29 May 1953

Office of General Counsel

Regulation [REDACTED] and [REDACTED]

-- Employee Services 25X1A

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1. This office has no legal objection to the form of the proposed referenced regulation with the following exceptions.

2. The last sentence in Paragraph 4(B)(3) should be deleted in its entirety and the following substituted in lieu thereof so that Paragraph 4(B)(3) reads as follows:

"All employees of the Central Intelligence Agency may have checks cashed without charge during the hours prescribed for such purpose by the Credit Union. Members of the Credit Union may have checks cashed without charge at any time when making savings deposits or loan payments."

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This change presupposes that the Credit Union will be agreeable to cashing checks for non-members without charge. The prohibition against charges is set forth in our opinion dated 30 April 1953 concerning current CIA Federal Credit Union check cashing activities. The pertinent portions contained therein are quoted below for your information:

"It is our opinion that the CIA Federal Credit Union may continue to cash checks for all persons who although not presently members of the Credit Union are entitled to become such by virtue of their employment relationship with the Central Intelligence Agency. This results from our interpretation of the words "field of membership." These are words of art and make reference to the membership eligibility provisions in the charter of the CIA Federal Credit Union. Therefore, no change in current practices in this regard are required because of the above quoted paragraphs.

However, the third and fourth paragraphs quoted leave the Credit Union no choice but to discontinue the present charge of ten cents for each personal check cashed not in connection with payments on shares or loans. Although arguably the CIA Federal Credit Union is not in the "business" of check cashing, the practices of certain Federal Credit Unions has led the Bureau of Federal Credit Unions to conclude that the dangers inherent in this practice demand that all Credit Unions discontinue assessment of the fee. The expense which each Credit Union will sustain in order to maintain the check cashing service must be compensated for, if possible, by expansion of its membership and enlargement of its normal business activities. In accordance with the foregoing, we

**SECURITY INFORMATION**

SECURITY INFORMATION

would advise that the CIA Federal Credit Union take steps as soon as practicable to discontinue the practice of assessing a fee for the cashing of personal checks."

3. It is felt that the word "sponsored" as used in Paragraph 4(I)(2) should be deleted and the phrase "utilized by" substituted therefor. Inasmuch as the term "sponsored" connotes assumption of responsibility, the use of this word is incorrect since the Central Intelligence Agency does not act as a surety for any of the insurance programs now in force.

4. In view of the fact that the subject of life insurance and its attendant benefits are not widely known by employees of the Agency, it is recommended that an additional subparagraph be added to Paragraph 4(3)(a) as follows:

"(3) The maximum amount of life insurance obtainable on a term basis is \$10,000 at a monthly cost of \$12.50, with a provision for double indemnity in the event of accidental death. Notwithstanding the face amount of this policy, benefits actually obtained at this time, based on favorable past experience factors, amount to a \$13,500 coverage with \$27,000 coverage for accidental death."

In this connection, it is suggested that those charged with the responsibility of administering the Agency's insurance programs prepare a memorandum for general distribution describing the various types of insurance premium rates and coverages available to all Agency employees. It is recognized that knowledge of the Group Hospitalization plans has received such wide dissemination and, therefore, this proposed memorandum should be limited to the facts concerning WAEPA life insurance coverage.

25X1A 5. The above recommendations should apply where applicable to proposed 25X1A [redacted] with the following addition for that regulation. In Paragraph 4(3)(b), the following phrase should be added: "through the organization", so that the first sentence of 4(3)(b) reads as follows:

"Life insurance coverage through the organization is not available to individuals who are not citizens of the United States or to aliens who have not made formal application for United States citizenship."

The addition of this phrase clarifies the ambiguity present in the proposed regulation, since life insurance coverage in general is available to anyone, though WAEPA coverage would not be.

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Assistant General Counsel

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